

PHILIP MORRIS USA**INTER-OFFICE CORRESPONDENCE**

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Steve Sampson

DATE: January ¹⁸/~~15~~, 1995

FROM: Vicki Berner

SUBJECT: Status Report: January ¹⁸/~~15~~, 1995MARLBORO VAN PROGRAM

All extension markets still operating except Tulsa which concluded mid December as scheduled. Distribution levels have decreased significantly, down from approximately 65 incentives per day per van to around 45. Excess inventory being shipped to FSF on an as requested basis for store sales.

SDI has produced a prototype of new kiosk incorporating structural changes that will be shipped to the Phoenix extension market for testing the month of January.

First draft of Powerforce contract finished--waiting on Racing budget changes to finalize and distribute internally.

All POS materials and incentives on schedule for delivery due dates per Brand. Program still scheduled to roll-out first wave May 1 and second wave May 8. Additional vans scheduled for all race markets prior to May 1 plus 6 Spring Resort markets.

Re-decailing of all vans scheduled with Rob Ivers to begin week of January 15 with scheduled completion of all vans by mid-April.

Scheduled meeting with Powerforce 1/20 to meet new Mgmt. team and review '95 program.

First draft of Elements memo completed 1/17.

MVP PROGRAM

1994 program completed. Over 1mm surveys generated. Research still being conducted to come up with new concepts for '95 program. Four agencies submitted ideas still under consideration. LB Co working on new game concept & theme to support bar nights/events and temporary materials; will present w/o 1/9/95.

In meeting 12/28/94 with Brand & LB Co Brand gave direction to pursue 3 levels for '95 program:

1. Resort--using 1 HQ bar in each Sp. Resort location with very comprehensive program & all other bars with scaled down activities to generate names.
2. Bar "Masters" program--for high traffic/volume bars. Develop an on-going visibility program offering certain bars a continuous supply of support materials based on their willingness to sell product and display permanent POS. MVP teams set up here all night.
3. Bar "Associates" program--for smaller bars across the country. Offer limited POS materials & try for product distribution. MVP teams go to 3 or 4 per night.

LB Co presented Spring Resort ideas to Brand & me 1/13; decision made to use existing MAT computer game, develop new banners & table tents and add a customized portable, battery-operated dart game. LB Co researching w/ dart company to determine how much the game can be customized in the limited time available.

LB Co scheduled to present core program ideas Fri. 1/20.

BAR & RESTAURANT

Both reps in NYC and Miami made great strides in getting POS and product

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in Miami. Re-orders of all materials for program have been placed.

Direction given by W. Smith to "blitz" Deepellen area of Dallas w/ POS and bar nights ASAP after it was discovered that Camel has attempted to contract w/ over 200 bars there to be the exclusive brand. Willie has asked that Steve Meyers, LBCo & I go to Dallas 1/26 to research the situation & visit the bar owners to determine their bar needs. Willie also asked that I work w/ EMI on a contract to implement both POS placement & additional bar nights.

PLAYERS NAVY CUT BAR NIGHTS

Working with N. Ellis & S. Janneta in Brand and C. Petty of GMR to finalize program elements. First bar nights projected to start 2/1. Brand has produced all materials and GMR is researching potential bars. Only 2 markets involved in test program: NYC and San Francisco.

Still some questions waiting to be resolved by Legal re: product sales in bars. Ginny is aware of issues and is looking for answers to give GMR-- can product be sold cheaper than other brands the night of promotion?

Does GMR need a separate license/permit to sell cigarettes if bar already has a license? Can we sell product directly to bars?

GMR sending letter outlining program details to potential bars to determine which will be the HQ bar in each market and which other bars are willing to participate. Letter will go out as soon as legal issues are resolved.

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